Exhibit 219

Page 1

1   CONFIDENTIAL - EVAN MILAZZO RULE 30

2   UNITED STATES DISTRICT COURT

           FOR THE SOUTHERN DISTRICT OF NEW YORK

3

         In re: :

4   :   Master File No.

         Global Brokerage, Inc.   :   1:17-cv-00916-RA

5   F/k/a FXCM, Inc.   :

         Securities Litigation   :

6   ----------------------   :

7

8   REMOTE VIDEO DEPOSITION VIA ZOOM OF:

9   EVAN MILAZZO PURSUANT RULE 30

10   WEDNESDAY, DECEMBER 2, 2020

11

12

13

14

15

16

17

18

19

20

21

22

23

24   REPORTED BY:

       SILVIA P. WAGE, CCR, CRR, RPR

25

Page 62
1   CONFIDENTIAL - EVAN MILAZZO RULE 30
2   A. Yes, I do.
3   "GS AGG" is that also Goldman Sachs?
4   A. Yes, it is.
5   Q. Do you have an understanding of why
6   EFFEX would want to give another liquidity
7   provider an advantage or reduce its own advantage
8   on certain currency payor?
9   A. Yes.
10   MR. DAHAN: Objection to the form.
11   But go ahead.
12   A. Yes, this was important for FXCM to
13   ensure that we are getting the best pricing
14   possible from all liquidity providers and so
15   Goldman at that time was one of the best
16   liquidity providers available. They were
17   providing a high level of service to FXCM. As I
18   mentioned earlier, John was, you know, able to
19   provide suggestions where he wanted. His
20   suggestion here in relation to Goldman, I
21   believe, is a reflection of the high quality of
22   pricing service that they were offering at that
23   time.
24   Q. Do you remember if FXCM would ever
25   implement Mr. Dittami's proposals as to the

Page 63
1   CONFIDENTIAL - EVAN MILAZZO RULE 30
2   markups to apply to other liquidity providers?
3   A. I'm not sure.
4   Q. Do you recall discussions where Mr.
5   Dittami's input or suggestions were taken into
6   account in terms of determining the markups to
7   apply to other liquidity providers?
8   A. I wasn't involved in those
9   discussions.
10   Q. Okay. So for that document there.
11   A. I'm sorry, could I ask for a short
12   break to use the bathroom?
13   MR. DAHAN: We've been going an hour
14   20.
15   MR. BAKER: Sure I was going to ask.
16   This is a good time. So, yeah, let's take five
17   and we'll come back.
18   A. Great. Thank you.
19   THE STENOGRAPHER: Howard, we need to
20   go off the record.
21   THE VIDEOGRAPHER: I'm sorry. My
22   mike was off.
23   The time is 10:46. We're off the
24   record.
25   (Recess taken 10:46 to 10:55 a.m.)

Page 64
1   CONFIDENTIAL - EVAN MILAZZO RULE 30
2   THE VIDEOGRAPHER: The time is 10:55.
3   We're on the record.
4   Q. Welcome back, Mr. Milazzo.
5   MR. BAKER: Quickly, before we move
6   ahead, I just want to clarify for the record that
7   the document I described as an attachment in
8   Exhibit 2 is Bate stamped GLBR 5535.
9   And going forward I have introduced
10   Exhibit 3.
11   Q. Let me know when you can see that.
12   (Deposition Exhibit 3, e-mail string
13   and attachment GLBR-00009384 to GLBR-00009389
14   marked Confidential, was marked for
15   identification.)
16   A. Okay, I've opened it.
17   Q. Okay. And please take a minute to
18   review.
19   MR. BAKER: And while you do, I will
20   note for the record that Exhibit 3 is Bate
21   stamped GLBR 9384 and includes a document
22   attached to that, which is Bate stamped GLBR
23   9389.
24   Q. So just let me know when you've had a
25   minute to review.

Page 65
1   CONFIDENTIAL - EVAN MILAZZO RULE 30
2   A. Okay.
3   Okay, I've seen the e-mail.
4   Q. Okay. And is this document an e-mail
5   chain that -- where you sent the top documents
6   and attachment?
7   A. Yes, that appears to be the case.
8   Q. And we're going to start at the top
9   of Page 5 using the page numbering on the bottom
10   of the pages in the middle.
11   Do you see those? Or sorry, the
12   bottom of Page 4, actually; sorry, the e-mail
13   that starts on the bottom of Page 4.
14   A. Okay, I see that.
15   Q. Who is Raelyn Tsai?
16   A. Raelyn was an employee of mine who
17   worked as a software project manager.
18   Q. And do you see in her e-mail she
19   references a "new Japan stream"?
20   A. Yes, I see that.
21   Q. Do you have an understanding of what
22   that is?
23   A. Yes, I see in another part of the
24   document this is referring to a line of business
25   that we had with an institutional company named

17 (Pages 62 - 65)

Page 78
1 CONFIDENTIAL - EVAN MILAZZO RULE 30
2   Q. And in the second paragraph there you
3 write, "As an example, both AEES (John Dittami's
4 companies A/K/A EFFEX Capital) and J.P. Morgan
5 are spokes to Citi. This means we will book any
6 trade done with either counterparty into the Citi
7 PB account/accounting book."
8   Do you see that?
9   A. Yes, I do.
10   Q. And "AEES" is the same as "EES," as
11 we talked about before?
12   A. Specifically, here, this is referring
13 to the liquidity provider adapter called AEES.
14   Q. And where did the name "AEES" come
15 from?
16   A. It was a name that -- anytime that we
17 create a liquidity provider adapter, we agree
18 upon a name internally. Normally, that decision
19 is made by a systems administrator for the FXCM
20 team.
21   Q. And in this case and you referred
22 before to AEES and EES.
23   Does the "A" stand for something?
24   A. I don't remember.
25   Q. You described in this sentence AEES

Page 79
1 CONFIDENTIAL - EVAN MILAZZO RULE 30
2 as "A/K/A EFFEX Capital."
3   Did you view EFFEX as a continuation
4 of EES?
5   A. Like I mentioned earlier, from a
6 technical standpoint, I'm referring to an adapter
7 in our system that we called AEES, which was the
8 adapter inside of the FXCM system that
9 communicated with EFFEX Capital.
10   Q. I understand.
11   But my question is just more, did you
12 view EFFEX as a continuation of the entity that
13 you described earlier as EES?
14   MR. DAHAN: Objection to form. He
15 never described any entity called EES.
16   Q. Let me rephrase.
17   MR. DAHAN: Thank you.
18   Q. Did you view EFFEX as a continuation
19 of the project at FXCM that you described earlier
20 called EES?
21   A. From a technical perspective, we used
22 some of the technology that had been created in
23 that project, particularly, the bank adapter
24 called AEES within the FXCM system. From a
25 business perspective, obviously, EFFEX was a new

Page 80
1 CONFIDENTIAL - EVAN MILAZZO RULE 30
2 company that was started in spring of 2010 and
3 therefore not a continuation of the project that
4 was started at FXCM.
5   Q. And in its function as a liquidity
6 provider for FXCM's retail customers, did you do
7 EFFEX any differently than EES?
8   MR. DAHAN: Objection to form, to the
9 assumption that EES was a liquidity provider. I
10 don't understand the question. I mean, please
11 rephrase.
12   Q. Before I believe you testified that
13 you did not recall or were you not sure whether
14 EES actually went into operation at FXCM; is that
15 correct?
16   A. Yes, that's correct.
17   Q. So I'm asking, to the extent that EES
18 did operate as -- strike that.
19   To the extent that EES did operate
20 within FXCM, was its function different than
21 EFFEX's function as a liquidity provider --
22   MR. DAHAN: Objection.
23   Q. -- for FXCM?
24   MR. DAHAN: Objection to the form.
25   THE WITNESS: Sorry, do I still

Page 81
1 CONFIDENTIAL - EVAN MILAZZO RULE 30
2 answer the question?
3   MR. DAHAN: If you can even
4 understand that question and you wouldn't be
5 speculating, you can answer.
6   A. So, as I mentioned earlier, I don't
7 recall if EES operated in the way that you're
8 describing.
9   Q. So, at the time of this e-mail, which
10 is September 2010, EFFEX Capital -- do you recall
11 if EFFEX Capital was operating as the liquidity
12 provider for FXCM?
13   A. Yes, I believe it was.
14   Q. Were there any other names by which
15 EFFEX was referred to within FXCM besides EFFEX?
16   A. Do you mean as a business?
17   Q. I mean, in terms of naming
18 conventions within FXCM internal documents.
19   A. You know, from a -- I can speak from
20 the technical side of things. We referred to
21 EFFEX as a liquidity provider. And as I
22 mentioned earlier, there was software called a
23 bank adapter that communicated with EFFEX's
24 liquidity provider that was named the AEES
25 adapter inside of the FXCM system.

21 (Pages 78 - 81)